

CONFIDENTIAL
EYES ONLY

77-4932
DELETED

Bldg 6-10

MEMORANDUM FOR: Deputy Director for Support

SUBJECT : Executive Dining Room Proposed Increase in Meal Prices

REFERENCE : Memo dtd 10 Aug 71 to DD/S fm D/L, same subject

1. This memorandum contains a recommendation for your approval; such recommendation is contained in paragraph 5.

2. In the referent memorandum (attached), we informed you of the financial status of the Executive Dining Room, the higher operating cost trends, the diminishing profits, and requested your approval to increase prices. Such approval was granted on 11 August 1971, but the increases were not put into effect due to the President's "Wage and Price Freeze" announcement of 15 August 1971.

3. Unfortunately, the financial outlook for the Executive Dining Room remains poor. The wholesale prices on meats have continued to increase. Attachment 1 presents a comparison of such prices for February 1971 versus November 1971. Our price increase request in the referent memorandum was based on the February 1971 Index and assumed that, if costs remained stable, we could anticipate an increase in revenue of approximately \$2,500 for the remaining 10 months of the fiscal year. However, due to the continued increase in wholesale prices and in order to effect the original rate of revenue increase, we are proposing a revised list of prices for meals from that proposed in the referent memorandum. The revised prices are set forth in Attachment 2.

4. Because of the continued wage and price stabilization policy (Phase II), we requested the Office of General Counsel to determine the legality of increasing the Executive Dining Room prices. We have been advised that such an increase is allowable, since the price increases are based on food cost increases; and prior notification to the Price Commission and their approval are not required because of the total sales volume of the Executive Dining Room.

5. In view of the foregoing, it is recommended that you approve the proposed price increases set forth in Attachment 2, which we would implement as soon as possible thereafter.

Signed: John F. Blake

John F. Blake

Director of Logistics

Atts

OL 1 6578



EYES ONLY
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SUBJECT: Executive Dining Room Proposed Increase in Meal Prices

The recommendation contained in paragraph 5 is approved, subject to review and approval by DD/S of suitable announcements.

John W. Coffey
Deputy Director
for Support

Date

Distribution:

Orig - D/L, w/atts

(2) DD/S, w/atts

1 - OL Official, w/atts

Original Subject

EYES ONLY

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ATT
1

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Approved For Release 2003/04/29 : CIA-RDP84-00780R003900060003-3

EYES ONLY

WHOLESALE PRICE CHANGES

<u>ITEMS</u>	<u>February 1971</u>	<u>November 1971</u>
Lamb Chops	\$2.15 lb.	\$2.56 lb.
Sirloin Knuckles	1.19 lb.	1.19 lb.
Filets	3.68 lb.	4.08 lb.
Delmonico	2.32 lb.	2.48 lb.
Corned Beef	.89 lb.	.89 lb.
Ham	1.01 lb.	1.05 lb.
Flank Steaks	1.35 lb.	1.52 lb.
New York Strip Steak	2.24 lb.	2.48 lb.
Veal Cutlet	2.49 lb.	2.69 lb.
Sirloin Steak	2.88 lb.	2.96 lb.

— Staples, canned goods, and frozen foods have also increased in price between 10 and 15 percent during the past 2 years.

EYES ONLY

Approved For Release 2003/04/29 : CIA-RDP84-00780R003900060003-3

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ATT
2

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EYES ONLY

Approved For Release 2003/04/28 : CIA-RDP84-00780R003900060003-3

EXECUTIVE DINING ROOM

PRICE LIST

<u>ITEMS</u>	<u>PRESENT</u>	<u>AUGUST PROPOSAL</u>	<u>REVISED PROPOSAL</u>
Regular Lunch	\$1.60	\$1.75	\$1.85
Steak Special - Delmonico	1.95	2.25	2.40
Sirloin	1.95	2.25	2.40
Filet Sandwich	1.95	2.25	2.40
 <u>A LA CARTE</u>			
Light Lunch	1.10	1.25	1.25
Low Calorie	.95	1.10	1.10
Chef Special	1.10	N/C *	N/C
Soup	.25	N/C	N/C
Salad	.20	N/C	N/C
Dessert	.25	N/C	N/C
Milk	.15	N/C	N/C
Coffee	.10	N/C	N/C
Tea	.10	N/C	N/C
Juice	.10	N/C	N/C
Cigar	.25	N/C	N/C
Cheese Cake	.30	N/C	N/C
Jumbo Salad Bowl	1.10	N/C	N/C

*N/C - No Change

EYES ONLY

Approved For Release 2003/04/28 : CIA-RDP84-00780R003900060003-3

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Mr. Wattles:
[redacted] has a couple
of draft announcements but
wasn't sure whether you had
looked at them when this
subject came up before.

If you approve this
proposed increase there are
a number of actions to be
taken before it can be put
into effect. e.g. putting new
price lists, tying into the
billing cycle etc. There will
be time to consider the
announcement before implementation.

Recommend you approve
subject to review and approval
of suitable announcements

OK ↑

AKW

To [redacted] -

I asked Mr. Wattles if he wanted me to add
"subject to review and approval by DD/S of suitable
announcements" to the approval line. He said that he
wanted to be sure you had proper control over this

ROUTING AND RECORD SHEET

DD/S REGISTER

SUBJECT: (Optional)

Executive Dining Room Proposed Increase in Meal Prices FILE *Bldg 6r 10*

FROM:

Director of Logistics

EXTENSION

NO.

DATE

16 AUG 1971

TO: (Officer designation, room number, and building)

DATE

OFFICER'S INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

RECEIVED

FORWARDED

1. Deputy Director for Support

24 AUG 1971

RSW

1 to 2
Jack -

2. Director of Logistics

Mr. Coffey and I agree that we have no choice on the Dining Room prices. We'll have to hold the line. No reason not to exercise tight management however!

Robert S. Wattles

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Att

DD/S 71-3259

CONFIDENTIAL EYES ONLY

71-3259

1 6 AUG 1971

MEMORANDUM FOR: Deputy Director for Support

SUBJECT : Executive Dining Room Proposed Increase
in Meal Prices

REFERENCE : Memo dtd 10 Aug 71 to DD/S fm D/L,
same subject

1. This memorandum contains information for the Deputy Director for Support.

2. Referenced memorandum recommended selective price increases on meals served by the Executive Dining Room. The recommendation was approved by Mr. Robert S. Wattles on 11 August 1971.

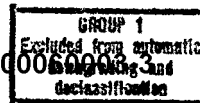
3. The President of the United States announced a 90-day "wage and price freeze" on a nationally televised broadcast on Sunday, 15 August 1971. It, therefore, seems in order that we not implement the Executive Dining Room price increases until the expiration of the 90-day period.

Signed: John F. Blake

John F. Blake
Director of Logistics

OL 1 4431

CONFIDENTIAL EYES ONLY



UNCLASSIFIED

INTERNAL
USE ONLY

CONFIDENTIAL

SECRET

ROUTING AND RECORD SHEET

EYES ONLY

SUBJECT: (Optional)

Executive Dining Room Proposed Increase in Meal Prices

FROM:

Director of Logistics

EXTENSION

NO.

DATE

10 August 71

TO: (Officer designation, room number, and building)

DATE

RECEIVED

FORWARDED

OFFICER'S
INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

1. Deputy Director for Support

11 AUG 1971

APPROVAL

1 to 8 -

Jack -

Mr. Coffey and I believe it is most important that these increases be explained/announced in the best way possible. He has suggested a note to be distributed with the monthly billings and I add the suggestion of a card on the tables as well. -- Somehow I suppose we should make it clear that the about-to-be refurbishing is not the reason for the price increases. How you do this without emphasizing the inherent subsidy beats me. Maybe we should look at a couple drafts.

8. Director of Logistics

Robert S. Wattles

Att

DD/S 71-3172

OL 1 3968

EYES ONLY

CONFIDENTIAL EYES ONLY

Approved For Release 2003/04/29 : CIA-RDP84-00780R003900060003-3

71-3172

10 AUG 1971

MEMORANDUM FOR: Deputy Director for Support

SUBJECT : Executive Dining Room Proposed Increase in Meal Prices

REFERENCE : Memo to A-DD/S fm A-D/L dtd 20 July 1971
subject: Executive Dining Room

1. This memorandum contains a recommendation for your approval in paragraph 5.

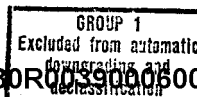
2. In the referenced memorandum, I set forth a comparison of Executive Dining Room operations for the year ending this June with that of the previous year. As noted, there has been a substantial increase in the cost of food and other expenses which resulted in a small loss for the year. However, these costs reflect a continuously rising trend and we see no leveling off in the immediate future. Attachment A is a comparison of wholesale price changes from March 1969 to February 1971. This clearly reflects a marked increase in food prices during this time amounting to an average of 11.6 percent. As a matter of information, it was shortly after the beginning of this period in May 1969 that our current dining room prices were established.

3. As mentioned, our loss was small but could have been substantially larger were it not for the increased income received from the special and official functions which utilized the dining room throughout the year and, in particular, for the large number of retirement parties. Our increase in income for special and official functions over the previous year amounted to \$3,689 and \$1,033, respectively, or a total increase of \$4,722. This helped to offset a decrease in income from meals of \$2,044 during the same period. In addition, we expended less funds for equipment, \$1,754 versus \$4,353, than in the prior year, which also reduced our loss.

4. Therefore, faced with substantial cost increases to date and a continuing upward spiral, we believe it is necessary to increase the prices of meals in the Executive Dining Room at this time. Attachment B reflects the current prices charged and the proposed increases. The proposed increases are on meals only since they represent the largest volume, both in cost and sales. The proposed

CONFIDENTIAL EYES ONLY

Approved For Release 2003/04/29 : CIA-RDP84-00780R003900060003-3



021-3968

SUBJECT: Executive Dining Room Proposed Increase in Meal Prices

increases average approximately 11.3 percent on these items. Assuming for purposes of comparison that costs remained the same and applying this percentage to the same volume and mix of meals served during the past year, we could expect increased revenues of approximately \$2,500 for the remainder of this year, based upon a 1 September 1971 price change. We anticipate that the increased revenue will cover normal cost increases on a continuing basis over the next 2 years and provide a modest amount for capital expenditures, exclusive of any major renovation or refurbishment. As you are aware, there is a current proposal for accomplishing such renovations at an estimated cost of \$8,200; however, the method and means for covering these costs are not within the context of the recommendation contained herein and will be the subject of separate correspondence.

5. In view of the foregoing, it is recommended that you approve the proposed price increases listed in Attachment B, which would be effective soon after the date of your approval.

/s/ John F. Blake
John F. Blake
Director of Logistics

2 Atts

The recommendation contained in paragraph 5 is approved.

/s/ Robert E. Waffles

11 AUG 1971

John W. Coffey
Deputy Director
for Support

Date

Distribution:

Orig - D/L, w/atts
✓ 2 - DD/S, w/atts
1 - OL/Official, w/atts

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Att
A

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EYES ONLY CONFIDENTIAL

ATTACHMENT A
Wholesale Price Changes

<u>ITEMS</u>	<u>March 1969</u>	<u>February 1971</u>
Lamb Chops	1.99 lb.	2.15 lb.
Sirloin Knuckles	.95 lb.	1.19 lb.
Filets	3.36 lb.	3.68 lb.
Delmonico	1.98 lb.	2.32 lb.
Corned Beef	.82 lb.	.89 lb.
Ham	.92 lb.	1.01 lb.
Flank Steaks	1.09 lb.	1.35 lb.
New York Strip Steak	1.98 lb.	2.24 lb.
Veal Cutlet	2.09 lb.	2.49 lb.
Sirloin Steak	2.40 lb.	2.88 lb.

Staples, canned goods, and frozen foods have also increased in price between 10 and 15 percent during the past 2 years.

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Approved For Release 2003/04/29 : CIA-RDP84-00780R003900060003-3

Att
B

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CONFIDENTIAL EYES ONLY

ATTACHMENT B
Executive Dining Room

PRICE LIST

<u>ITEMS</u>	<u>PRESENT</u>	<u>PROPOSED</u>
Regular Lunch	1.60	1.75
Steak Special - Delmonico	1.95	2.25
Sirloin	1.95	2.25
Filet Sandwich	1.95	2.25
<u>A LA CARTE</u>		
Light Lunch	1.10	1.25
Low Calorie	.95	1.10
Chef Special	1.10	N/C *
Soup	.25	N/C
Salad	.20	N/C
Dessert	.25	N/C
Milk	.15	N/C
Coffee	.10	N/C
Tea	.10	N/C
Juice	.10	N/C
Cigar	.25	N/C
Cheese Cake	.30	N/C
Jumbo Salad Bowl	1.10	N/C

* N/C - No Change

CONFIDENTIAL EYES ONLY

Bob -

I can't argue with his case,
the facts presented support it.

After clearing the increases, I
assume with Col. White, we probably
should ^{put} a folder ^{notice} on each table
stating that prices will be increased
on some future date, and the reasons
for the increase.



ROUTING AND RECORD SHEET

SUBJECT: (Optional)

DD / S

STRY

Executive Dining Room

FILE

Bldg 6-10

FROM:

EXTENSION

NO.

Acting Director of Logistics

DATE

20 JUL 1971

TO: (Officer designation, room number, and building)

DATE

OFFICER'S INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

RECEIVED

FORWARDED

1. Acting Deputy Director for

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OL 1 3888

CONFIDENTIAL
EYES ONLY

DD/S 71-2907

20 JUL 1971

MEMORANDUM FOR: Acting Deputy Director for Support

SUBJECT : Executive Dining Room

1. Attached is the Executive Dining Room financial report for the month of June 1971, together with the report of cumulative operations for the past year.

2. A comparison of this year's operations to the preceeding one has been made and is shown below:

a. Income:

29 June 1970 - 25 June 1971	\$52,895
3 July 1969 - 26 June 1970	<u>50,788</u>
Net Increase in Income	\$ 2,107

b. Expenses (Excluding Equipment Purchases):

29 June 1970 - 25 June 1971	\$51,325
3 July 1969 - 26 June 1970	<u>45,679</u>
Net Increase in Expenses	\$ 5,646

c. Net Income from Operations (Excluding Equipment Purchases):

29 June 1970 - 25 June 1971	\$ 1,570
3 July 1969 - 26 June 1970	<u>5,109</u>
Net Decrease in Income from Operations	\$ 3,539

d. Equipment Purchases:

29 June 1970 - 25 June 1971	\$ 1,754
3 July 1969 - 26 June 1970	<u>4,353</u>
Net Decrease in Equipment Purchases	\$ 2,599

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SUBJECT: Executive Dining Room

e. Net Income after Equipment Purchases:

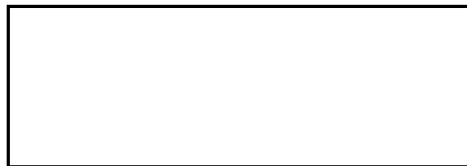
29 June 1970 - 25 June 1971	\$184.00 - loss
3 July 1969 - 26 June 1970	\$756.00

3. A number of factors contributed to the loss incurred by the Executive Dining Room during the past year. The major items were:

- a. Increased cost of food at \$4,437; and
- b. Miscellaneous expenses (laundry, overtime, allowances, repairs, supplies) at \$1,979.

When the foregoing is coupled with the fact that income from meals served declined a little over \$2,000, it is amazing that our loss was not greater. Our salvation was the large number of special and official functions in comparison to the previous year. This, of course, was due largely to the number of retirement parties.

4. The forecast for the forthcoming year is not optimistic, particularly when we are faced with continuing increases in the cost of food, services, and supplies. We have initiated a study in this area and will shortly come to you with our recommendations to offset this trend.



Acting Director of Logistics

Att

STA

Approved For Release 2003/04/29 : CIA-RDP84-00780R003900060003-3

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Next 1 Page(s) In Document Exempt

EYES ONLY

Approved For Release 2003/04/29 : CIA-RDP84-00780R003900060003-2

TABULATION OF DINING ROOM SALES

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	31 May 4 June	7 June 11 June	14 June 18 June	21 June 25 June				
Steak	30	38	51	40	-	159	-	\$ 310.05
Regular	95	55	117	108	-	375	-	600.00
Light Lunch	59	126	92	86	-	363	-	399.30
Low Cal	52	56	55	55	-	218	-	207.10
Soup	79	63	100	74	-	316	-	79.00
Dessert	36	76	66	70	-	248	-	62.00
Milk	24	21	26	22	-	93	-	13.95
Beverage	103	174	152	129	-	558	-	55.80
Cheese Cake	9	8	---	3	-	20	-	6.00
Melon	30	10	3	---	-	43	-	15.05
Jumbo Salad	12	8	8	4	-	32	-	35.20
Other	(11)\$35.40	(14)\$190.00	(12)\$156.10	(9)\$43.35	-	46	-	424.85
								\$2,208.30*

SPECIALS

6/ 3/71 - Cocktail Party \$136.50

6/21/71 - Cocktail Party \$77.00

6/11/71 - Special Luncheon \$100.75

6/22/71 - Cocktail Party \$399.00

6/17/71 - Dinner Party \$60.00

773.25**

\$2,981.55

* Includes \$274.95 of the Official Imprest Fund

** Includes \$60.00 of the Official Imprest Fund

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